

APRIL 23, 2020

ITEM FILING ANNOUNCEMENT

CIF-2020-26

Countrywide—Announcement of Item B-1441—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic**ACTION NEEDED**

Please review the changes outlined in the attachment to this circular for impact on your company's systems and procedures. Also, review the weekly *Status of Item Filings* circular for state approval of this item.

Note: Arkansas law does not permit NCCI to file rules and rates on its members' behalf. Therefore, insurance carriers must make an independent filing with the Arkansas Insurance Department electing to adopt, or not adopt, an item filing filed by NCCI and subsequently approved by the Department. When such a filing is made with the Department, make sure that the NCCI item filing number (not the NCCI circular number) is referenced.

Caution: At the time of distribution of this circular, this filing has been filed with the regulator but is **not yet approved**. This information is provided for your convenience and analysis. Please do not use this information until the regulator has approved the filing.

BACKGROUND

NCCI has submitted Item B-1441—Revisions to NCCI Manual Rules Related to the COVID-19 (Coronavirus) Pandemic to the appropriate state regulatory authority.

This item is applicable to new, renewal, and outstanding policies, and is proposed to become effective on and after March 1, 2020, in all states indicated in the filing except Hawaii. In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change.

Additionally, this item has been submitted to the independent bureaus for their consideration.

This item proposes to revise and establish rules related to:

- Definitions, treatment, and reporting of payments by an employer to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations
- Any claims attributable to paid furloughed employees
- Reporting final premium for employers affected by the COVID-19 pandemic

This item impacts the *Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)* and the *Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)*.

Refer to the attachment for details on this item, including all state-specific treatments.

IMPACT

As a result of this item, it is expected that exposure will shift from various classification codes to Code 0012. The extent of this shift is unknown at this time because it will depend on the nature of the individual employer's business and reporting by carriers. To this extent, the premiums of individual employers could decrease based on the payments made to paid furloughed employees.

NCCI ACTION

NCCI will take the following actions for Item B-1441:

- Issue a circular notifying you when the item is approved as filed, approved with changes, disapproved, or withdrawn

- Update the weekly *Status of Item Filings* circular on **ncci.com** with the latest state status
- Publish updated pages for NCCI's *Basic Manual* and the *Statistical Plan* prior to the effective date, if approved

If you would like to subscribe to any of our manuals, please call our Customer Service Center at 800-NCCI-123 (800-622-4123).

PERSON TO CONTACT

If you have any questions, please contact:

Customer Service Center
NCCI
901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
800-NCCI-123 (800-622-4123)

Technical Contact:

Linda Bello
Regulatory Filing Consultant
NCCI
901 Peninsula Corporate Circle
Boca Raton, FL 33487-1362
561-893-3813
linda_bello@ncci.com

FILING MEMORANDUM

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19 (CORONAVIRUS) PANDEMIC

PURPOSE

This item revises and establishes rules related to:

- Definitions, treatment, and reporting of payments by an employer to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations
- Any claims attributable to paid furloughed employees
- Reporting final premium for employers affected by the COVID-19 pandemic

The following NCCI manuals are impacted by these rule changes:

- ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)***
- ***Statistical Plan for Workers Compensation and Employers Liability Insurance (Statistical Plan)***

BACKGROUND

The World Health Organization categorized the COVID-19 outbreak as a pandemic when the rates of infection continued to rise in many locations around the world and across the United States.

The President of the United States declared the COVID-19 outbreak a national emergency beginning March 1, 2020. The effective date of these rule revisions coincides with the President's declaration date. The expiration date of these rule revisions will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

The COVID-19 pandemic has created unique workers compensation conditions that need to be addressed within NCCI manuals. As a result, NCCI has determined that it is necessary to take the following actions:

- An additional rule must be established in ***Basic Manual*** Rule 2-B-2
- ***Basic Manual*** Rule 2-F-1 must be revised
- An additional rule must be established in ***Basic Manual*** Rule 2-F—Wages for Time Not Worked
- An additional rule must be established in ***Statistical Plan*** Part 3-F-2
- An additional rule must be established in ***Statistical Plan*** Part 3-F-3
- An additional rule must be established in ***Statistical Plan*** Part 4-E-1-f(2)
- New Statistical Code 0012—Paid Furloughed Employees must be established in ***Statistical Plan*** Part 6-E-3

PROPOSAL

This item proposes to:

1. Establish ***Basic Manual*** Rule 2-B-2-n to add information stating that payments to paid furloughed employees are excluded from premium calculations
2. Revise ***Basic Manual*** Rule 2-F-1 to add a definition for idle time
3. Establish ***Basic Manual*** Rule 2-F-3 to define and address payments to paid furloughed employees

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 (CORONAVIRUS) PANDEMIC

4. Establish Part 3-F-2-d in NCCI's **Statistical Plan** to add information about reporting payments and zero rate/premium if applicable for payments made to paid furloughed employees to Statistical Code 0012—Paid Furloughed Employees
5. Revise the format of **Statistical Plan** Part 3-F and add Part 3-F-3 to address instances when final premium cannot be reported due to the COVID-19 pandemic
6. Establish Part 4-E-1-f(2)(d) in NCCI's **Statistical Plan** to address that no claims can be reported to Statistical Code 0012
7. Establish Statistical Code 0012 in Part 6-E-3 in NCCI's **Statistical Plan** for reporting payments made to paid furloughed employees

IMPACT

As a result of this item, it is expected that exposure will shift from various classification codes to Code 0012. The extent of this shift is unknown at this time because it will depend on the nature of the individual employer's business and reporting by carriers. To this extent, the premiums of individual employers could decrease based on the payments made to paid furloughed employees.

EXHIBIT COMMENTS AND IMPLEMENTATION SUMMARY

Exhibit	Exhibit Comments	Implementation Summary
National Exhibits		
1	<ul style="list-style-type: none"> • Details the establishment of Rule 2-B-2-n in NCCI's Basic Manual • Applies in all states except Florida; refer to state exhibit for Florida • All state exceptions will continue to apply unless otherwise noted in the state-specific exhibits 	<ul style="list-style-type: none"> • In all states except Hawaii, this item is to become effective for new, renewal, and outstanding policies effective on and after 12:01 a.m. on March 1, 2020 • In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change
2	<ul style="list-style-type: none"> • Details the revisions to Rule 2-F-1 in NCCI's Basic Manual • Applies in all states except Florida; refer to state exhibit for Florida 	

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ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
 (CORONAVIRUS) PANDEMIC

Exhibit	Exhibit Comments	Implementation Summary
National Exhibits		
3	<ul style="list-style-type: none"> Details the establishment of Rule 2-F-3 in NCCI's Basic Manual Applies in all states except Florida; refer to state exhibit for Florida 	<ul style="list-style-type: none"> In all states except Hawaii, this item is to become effective for new, renewal, and outstanding policies effective on and after 12:01 a.m. on March 1, 2020 In Hawaii, the effective date is determined upon regulatory approval of the individual carrier's election to adopt this change
4	Details the establishment of Part 3-F-2-d in NCCI's Statistical Plan .	
5	Details the revisions to Part 3-F and the establishment of Part 3-F-3-c in NCCI's Statistical Plan .	
6	Details the establishment of Part 4-E-1-f(2)(d) in NCCI's Statistical Plan .	
7	Details the establishment of Statistical Code 0012 in Part 6-E-3 in NCCI's Statistical Plan .	
State Exhibits		
8	Details the revisions to Alaska's exception to Statistical Plan Part 3-F-3.*	To become effective for new, renewal, and outstanding policies effective on and after 12:01 a.m. on March 1, 2020.
8	Details the revision to Arkansas' exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Connecticut's exception to Statistical Plan Part 3-F-2.*	
8	Details the revisions to Florida's exception to Basic Manual Rule 2-B-2.	
9	Details the establishment of Florida's exception to Rule 2-F-1 in NCCI's Basic Manual .	
10	Details the establishment of Florida's exception to Rule 2-F-3 in NCCI's Basic Manual .	
8	Details the revision to Illinois' exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Indiana's exception to Basic Manual Rule 2-B-2.*	
9	Details the revisions to Indiana's exception to Statistical Plan Part 3-F-3.*	
8	Details the revision to Kansas's exception to Basic Manual Rule 2-B-2.*	

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ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
 (CORONAVIRUS) PANDEMIC

Exhibit	Exhibit Comments	Implementation Summary
State Exhibits		
9	Details the revision to Kansas’s exception to Statistical Plan Part 3-F-2.*	To become effective for new, renewal, and outstanding policies effective on and after 12:01 a.m. on March 1, 2020.
8	Details the revision to Kentucky’s exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Louisiana’s exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Maryland’s exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Montana’s exception to Statistical Plan Part 3-F-2.*	
9	Details the revision to Montana’s exception to Statistical Plan Part 4-E-1-f(2).*	
8	Details the revision to New Hampshire’s exception to Statistical Plan Part 3-F-2.*	
9	Details the revision to New Hampshire’s exception to Statistical Plan Part 4-E-1-f(2).*	
8	Details the revision to New Mexico’s exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Oklahoma’s exception to Basic Manual Rule 2-B-2.*	
8	Details the revisions to Oregon’s exception to Basic Manual Rule 2-B-2.*	
9	Details the establishment of Oregon’s exception to Part 3-F-3-c in NCCI’s Statistical Plan .	
8	Details the revision to South Dakota’s exception to Basic Manual Rule 2-B-2.*	
8	Details the revision to Tennessee’s exception to Basic Manual Rule 2-B-2.*	

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ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
 (CORONAVIRUS) PANDEMIC

Exhibit	Exhibit Comments	Implementation Summary
State Exhibits		
8	Details the revisions to Texas's exception to Statistical Plan Part 3-F-3.*	To become effective for new, renewal, and outstanding policies effective on and after 12:01 a.m. on March 1, 2020.
8	Details the revision to Utah's exception to Basic Manual Rule 2-B-2.*	

* This exhibit is included only to adjust numbering due to reformatting.

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ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 1
BASIC MANUAL—2001 EDITION
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

2. Excludes:

- a. Tips or other gratuities received by employees.
- b. Payments by an employer to group insurance or group pension plans for employees, other than those covered by Rule 2-B-1-f and Rule 2-B-1-m.
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law provided the pension trust is qualified under IRC Sections 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery.
- e. Dismissal or severance payments except for time worked or vacation accrued.
- f. Payments for active military duty.
- g. Employee discounts on goods purchased from the employee's employer.
- h. Expense reimbursements to employees if the employer's records confirm that the expense was incurred as a valid business expense.

Reimbursed expenses and flat expense allowances paid to employees may be excluded from the audit only if all three of the following conditions are met:

- (1) The expenses or allowances are incurred for the business of the employer
- (2) The amount of each employee's expense or allowance is shown separately in the records of the employer
- (3) The amount of the expense or allowance approximates the actual expense incurred by the employee in the conduct of their work

*Refer to NCCI's **User's Guide** for an example.*

Note: If an employer did not maintain verifiable receipts for incurred expenses for an employee that was away from home overnight on the business of an employer a maximum expense allowance is permitted to be excluded. *Refer to Rule 2-B-1-p Exception for the maximum employee expense allowance.*

Allowable travel expenses permitted by any contract with a federal, state, or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

- i. Meal money for late work.
- j. Work uniform allowances.
- k. Sick pay paid to an employee by a third party such as an employer's group insurance carrier that is paying disability income benefits to a disabled employee.
- l. Employer-provided perks such as:
 - Use of company-provided automobiles
 - Airplane flights
 - Incentive vacations (e.g., contest winners)

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 1 (CONT'D)
BASIC MANUAL—2001 EDITION
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(Exhibit comment: All current state exceptions will continue to apply unless otherwise noted in the state-specific exhibits)

- Discounts on property or services
 - Club memberships
 - Tickets to entertainment events
 - Educational assistance
 - Relocation and moving expenses
- m. Employer contributions to employee benefit plans such as:
- Employee savings plans
 - Retirement plans
 - Cafeteria plans (IRC 125)
 - Health savings accounts
 - Flexible spending accounts
- These include contributions made by the employer, at the employer's expense, which are determined by the amount contributed by the employee.
- n. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.
- Refer to Rule 2-F-3 for the definitions of paid furloughed employees and payments to paid furloughed employees.
- This Rule 2-B-2-n is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities. This rule will be removed from the **Basic Manual** automatically, upon the applicable expiration date.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 2
BASIC MANUAL—2001 EDITION
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
F. WAGES FOR TIME NOT WORKED

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

1. Idle Time

Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked.

~~Some employers pay employees for time not worked.~~ All wages paid to the employee for such idle time must be included in payroll. ~~These wages paid during this time~~ are assigned to the classification for work normally performed by the employee under the following circumstances:

- Suspension or delay of work due to weather conditions
- Delays while waiting for materials
- Delays while waiting for another party to complete certain work
- Delays arising from breakdown in equipment
- “Stand-by” time where employees such as operators of cranes, hoists or other equipment are on the job, but their active services are not required continuously
- Special union requirements or agreements between employer and employees calling for pay for idle time under specific circumstances
- Inability of non-striking employees to perform normal duties due to other employees who are on strike. If non-striking employees perform absolutely no work for their employer and are not present at their employer’s premises or job sites during a strike period, their payroll must be assigned to Code 8810—Clerical Office Employees, provided adequate records are maintained by the employer.
- All other causes of a similar nature

For purposes of this Rule 2-F-1, idle time does not include “paid furloughed employees” or “payments to paid furloughed employees” as provided in **Basic Manual** Rule 2-F-3. The expiration date of this paragraph will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities. This paragraph in this Rule 2-F-1 will be removed from the **Basic Manual** automatically, upon the applicable expiration date.

*Refer to **User’s Guide** for an example.*

Refer to Rule 2-F-2 for the treatment of idle time by construction, erection or stevedoring risks.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 3
BASIC MANUAL—2001 EDITION
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
F. WAGES FOR TIME NOT WORKED

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

3. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws, or Regulations Issued Due to the COVID-19 (Coronavirus) Pandemic

For purposes of this Rule 2-F-3, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.

"Payments to paid furloughed employees" means payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.

Payments to paid furloughed employees must be assigned to Code 0012, in accordance with the **Statistical Plan**. Payments to paid furloughed employees made in accordance with this Rule 2-F-3 are excluded from the premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.

If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with **Basic Manual** Rule 1-A.

This Rule 2-F-3 is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities. This rule will be removed from the **Basic Manual** automatically, upon the applicable expiration date.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 4
STATISTICAL PLAN—2008 EDITION
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT

2. Nonpayroll Exposure

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

d. **Paid Furloughed Employees**

Paid furloughed employees means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer. Effective March 1, 2020, payments by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations must be reported to Statistical Code 0012—Paid Furloughed Employees. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.

The expiration date of this code will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

Code 0012 may be used as a Statistical Code to report the payments only; or it may be used as a Classification Code to report the payments with a zero rate and zero premium.

Payments reported to Code 0012 are excluded from premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records.

**ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC**

**EXHIBIT 5
STATISTICAL PLAN—2008 EDITION
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

3. Final or Estimated Premium**a. Audited or Estimated Exposure**

When the exposure reported on the 1st report corresponds to the final premium amount by class code, report as follows:

- The exposure and class code(s) corresponding to the final premium
- “N” for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report is based on estimated exposure, report as follows:

- The estimated exposure and class code(s) corresponding to the estimated premium
- “Y” for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report was based on estimated exposure and subsequently the final premium is determined, a correction to the 1st report must be reported as follows:

- The exposure and class code(s) corresponding to the final premium
- “N” for the Estimated Audit Code—Policy Conditions

b. Audit Noncompliance Charge

When the exposure reported on the 1st report includes Statistical Code 9757—Audit Noncompliance Charge, report the Estimated Audit Code as an “N” in the applicable Policy Condition Indicator field.

If subsequent to reporting Statistical Code 9757, and the final policy premium is determined in accordance with NCCI’s *Basic Manual* rules, the statistical code and its accompanying charge must be removed. Additionally, the Estimated Audit Code must continue to be reported as “N,” and the exposure and premium must reflect the final audit. Refer to Part 5, Item A-1 for correction reports.

c. COVID-19

If final premium based on audited exposure cannot be reported due to federal, state, and/or local emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic which impact an employer’s staffing or business operations, report the applicable exposure and premium in the class code(s) and the Estimated Audit Code as an “N.”

This rule is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
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EXHIBIT 6
STATISTICAL PLAN—2008 EDITION
PART 4—LOSS AND EXPENSE INFORMATION
E. CLAIM COMPONENTS

1. Required Claim Components

f. Classification Code

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

(2) Additional Classification Code Loss Reporting

Additional classification code reporting rules apply as follows:

(a) Aircraft Operation Losses

For Policies Effective January 1, 2015, and Subsequent:

For policies that include Classification Code 7421—Aviation—Transportation of Personnel in Conduct of Employer's Business—Flying Crew, report all exposure and any losses for members of the flying crew to Classification Code 7421.

For all other employees covered on the policy, all exposure and any losses are reported to the classification code to which the injured worker's payroll is assigned.

For Policies Effective Prior to January 1, 2015:

Losses incurred under the policy—other than to members of the flying crew—must be reported under Statistical Code 9108—Aircraft Operation—Passenger Seat Surcharge.

(b) Losses Resulting From Black Lung and Supplementary Disease

Losses resulting from Black Lung and supplementary disease exposure must be reported to the appropriate statistical code.

Refer to Part 1, Item L—Coal Mine and Black Lung Disease Experience for reporting losses resulting from Black Lung disease.

Refer to Part 3, Item F-2-c—Other Miscellaneous Exposures for a listing of supplemental disease statistical codes.

(c) Contract Medical

A class code is not required for contract medical claims.

Note: Contract medical claims are medical-only claims covered entirely by a medical contract.

(d) Paid Furloughed Employees

For any claims attributable to an employee occurring prior to or after a temporary layoff or an involuntary leave, report losses to the classification for work normally performed by the employee that corresponds to the employee's payroll. No claim can be reported to Code 0012—Paid Furloughed Employees.

This rule is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 7
STATISTICAL PLAN—2008 EDITION
PART 6—CODING VALUES

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

E. STATISTICAL CODES

3. Premium Amount *Not Part* of Standard Premium

Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date	Notes (If Applicable)
Paid Furloughed Employees	0012	N/A	AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV	03/01/2020	12/31/2020*	Refer to Part 3-F-2—Nonpayroll Exposure for details on Paid Furloughed Employees. Code 0012 may be used as a Statistical Code to report the payments only; or it may be used as a Classification Code to report the payments with a zero rate and zero premium. *Code 0012 will expire on December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with state regulatory authorities.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 7 (CONT'D)
STATISTICAL PLAN—2008 EDITION
PART 6—CODING VALUES

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MO, MS, MT, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WV)

Phraseology	Stat Code	Premium Credit (-) or Debit (+)	Applicable States	Effective Date	Discontinued Date	Notes (If Applicable)
Paid Furloughed Employees	0012	N/A	FL	03/01/2020	12/31/2020*	Refer to Part 3-F-2—Nonpayroll Exposure for details on Paid Furloughed Employees. Code 0012 must be displayed on the policy Information Page with a zero rate and zero premium. *Code 0012 will expire on December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with the Florida Office of Insurance Regulation.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
STATISTICAL PLAN—2008 EDITION
ALASKA STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT

3. Final or Estimated Premium

Change Part 3, Item F-3 as follows:

When the exposure reported on the 1st report correspond to the final premium amount by class code, report as follows:

- The exposure and class code(s) corresponding to the final premium
- "N" for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report is based on estimated exposure, report as follows:

- The estimated exposure and class code(s) corresponding to the estimated premium
- "Y" for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report was based on estimated exposure and subsequently the final premium is determined, a correction to the 1st report must be reported as follows:

- The exposure and class code(s) corresponding to the final premium
- "N" for the Estimated Audit Code—Policy Conditions

Change Part 3, Item F-3-b as follows:

b. Audit Noncompliance Charge

The Audit Noncompliance Charge does not apply.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
ARKANSAS RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~ Pay for vacation for operations assigned to Code 1016—Coal Mining—NOC.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
STATISTICAL PLAN—2008 EDITION
CONNECTICUT STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION

F. EXPOSURE AMOUNT

2. Nonpayroll Exposure

Add the following to Part 3, Item F-2:

e. ~~e.~~ **Volunteer Ambulance Service and Emergency Medical Service (EMS)
Providers—Service Response**

For Classification Code 7731—Ambulance Service and EMS (Emergency Medical Service)
Providers and Drivers—Volunteers, report the number of service responses as 10 per service
response. There is an assumed decimal point between the 1 and the 0.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
FLORIDA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Change Rule 2-B-2 as follows:

- a. Tips or other gratuities received by employees.
- b. Payments by an employer to group insurance or group pension plans for employees, other than those covered by Rule 2-B-1-f and Rule 2-B-1-m.
- c. Payments by an employer into third-party trusts for the Davis-Bacon Act or a similar prevailing wage law provided the pension trust is qualified under IRC Sections 401(a) and 501(a).
- d. The value of special rewards for individual invention or discovery.
- e. Dismissal or severance payments except for time worked or vacation accrued.
- f. Payments for active military duty.
- g. Employee discounts on goods purchased from the employee's employer.
- h. Expense reimbursements to employees to the extent that an employer's records confirm that the expense was incurred as a valid business expense.

Reimbursed expenses and flat expense allowances (except for hand or hand-held power tools) paid to employees may be excluded from the audit only if all three of the following conditions are met:

- (1) The expenses are incurred for the business of the employer
- (2) The amount of each employee's expense payments or allowances are shown separately in the records of the employer
- (3) The amount of each employee's expense reimbursement is a fair estimate of the actual expenses incurred by the employee in the conduct of his/her work

Refer to ~~User's~~ User's Guide for an example.

Note: When it can be verified that the employee was away from home overnight on the business of the employer, but the employer did not maintain verifiable receipts for incurred expenses, a reasonable expense allowance, limited to a maximum of \$30 per day, is permitted.

- i. Supper money for late work.
- j. Work uniform allowances.
- k. Sick pay paid to an employee by a third party such as an insured's group insurance carrier that is paying disability income benefits to a disabled employee.
- l. Employer-provided perks such as:
 - Use of company-provided automobiles
 - Airplane flights
 - Incentive vacations (e.g., contest winners)
 - Discounts on property or services
 - Club memberships
 - Tickets to entertainment events
- m. Employer contributions to employee benefit plans such as:
 - Employee savings plans
 - Retirement plans
 - Cafeteria plans (IRC 125)

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8 (CONT'D)
BASIC MANUAL—2001 EDITION
FLORIDA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

These include contributions made by the employer, at the employer's expense, which are determined by the amount contributed by the employee.

When gratuities or "tips" received from persons other than the employer make up part of an employee's earnings, payroll must include the actual wages paid by the employer and the value of board and lodging, if any. The payroll per employee must not be less than the Average Weekly Wage value appearing on the state rate sheet, which is equal to the wage upon which a minimum award for compensation under the particular State Act is based. If an employee works less than a full week, the Average Weekly Wage must be prorated. The proportion is determined by the ratio of number of days worked to five days. Partial days are considered full days. The proportion is subject to the value of the Average Weekly Wage as a maximum.

The entire payroll cannot include any of the following provided these or any of them are not part of the contract of employment or an actual consideration for employment.

- Special reward for meritorious achievements or discovery, or
 - Pure gratuities, or
 - Result of voluntary profit sharing arrangements
- n. Payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations.

However, any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees are not excluded.

Refer to Rule 2-F-3 for the definitions of paid furloughed employees and payments to paid furloughed employees.

This Rule 2-B-2-n is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with the Florida Office of Insurance Regulation.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 9
BASIC MANUAL—2001 EDITION
FLORIDA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
F. WAGES FOR TIME NOT WORKED

Change Rule 2-F-1 as follows:

1. Idle Time

Idle time is downtime that occurs when employees are not working and the employer pays the employees for the time not worked.

All wages paid to the employee for idle time must be included in payroll. Wages paid during this time are assigned to the classification for work normally performed by the employee under the following circumstances:

- Suspension or delay of work due to weather conditions
- Delays while waiting for materials
- Delays while waiting for another party to complete certain work
- Delays arising from breakdown in equipment
- “Stand-by” time where employees such as operators of cranes, hoists or other equipment are on the job, but their active services are not required continuously
- Special union requirements or agreements between employer and employees calling for pay for idle time under specific circumstances
- Inability of non-striking employees to perform normal duties due to other employees who are on strike. If non-striking employees perform absolutely no work for their employer and are not present at their employer’s premises or job sites during a strike period, their payroll must be assigned to Code 8810—Clerical Office Employees, provided adequate records are maintained by the employer.
- All other causes of a similar nature

For purposes of this Rule 2-F-1, idle time does not include “paid furloughed employees” or “payments to paid furloughed employees” as provided in **Basic Manual** Rule 2-F-3. The expiration date of this paragraph will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with the Florida Office of Insurance Regulation.

Refer to **User’s Guide** for an example.

Refer to Rule 2-F-2 for the treatment of idle time by construction, erection or stevedoring risks.

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(CORONAVIRUS) PANDEMIC

EXHIBIT 10
BASIC MANUAL—2001 EDITION
FLORIDA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
F. WAGES FOR TIME NOT WORKED

Change Rule 2-F-3 as follows:

3. Payments to Paid Furloughed Employees During Federal, State, and/or Local Emergency Orders, Laws, or Regulations Issued Due to the COVID-19 (Coronavirus) Pandemic

For purposes of this Rule 2-F-3, "paid furloughed employees" and "payments to paid furloughed employees" are defined within this rule. "Paid furloughed employees" means employees who continue to receive payments during a temporary layoff or an involuntary leave and are not performing any work duties for an employer.

"Payments to paid furloughed employees" means payments made by an employer or any public governmental entity to paid furloughed employees as a result of federal, state, and/or local emergency orders, laws or regulations, issued due to the COVID-19 (coronavirus) pandemic which impact an employer's staffing or business operations. Such payments do not include any appropriated funds or loans received by an employer as authorized by any law or regulation, or public governmental entity, that are used by an employer specifically to retain or hire working employees.

Payments to paid furloughed employees must be assigned to Code 0012, in accordance with the **Statistical Plan**. Payments to paid furloughed employees made in accordance with this Rule 2-F-3 are excluded from the premium and experience rating calculations only if the employer keeps separate, accurate, and verifiable records. If separate, accurate, and verifiable records are not maintained, payroll is assigned to the classification for work normally performed by the employee prior to any emergency orders, laws, or regulations issued due to the COVID-19 (coronavirus) pandemic.

If an employee is requested to perform any duties for an employer, the employee is not deemed a paid furloughed employee for any period of time they are performing duties for the employer. If the employee is not deemed a paid furloughed employee, payroll must be assigned to the classification applicable to the work being performed in accordance with **Basic Manual** Rule 1-A.

This Rule 2-F-3 is effective March 1, 2020. The expiration date of this rule will be December 31, 2020, which may be amended to an earlier or later date as circumstances warrant in consultation with the Florida Office of Insurance Regulation.

Display the payments reported to Code 0012 on the policy Information Page with a zero rate and zero premium.

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(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
ILLINOIS RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~- Pay for vacation for operations assigned to Code 1016.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
INDIANA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~- Pay for vacation for operations assigned to Code 1016.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 9
STATISTICAL PLAN—2008 EDITION
INDIANA STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT

3. Final or Estimated Premium

Change Part 3, Item F-3 as follows:

When the exposure reported on the 1st report correspond to the final premium amount by class code, report as follows:

- The exposure and class code(s) corresponding to the final premium
- "N" for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report is based on estimated exposure, report as follows:

- The estimated exposure and class code(s) corresponding to the estimated premium
- "Y" for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report was based on estimated exposure and subsequently the final premium is determined, a correction to the 1st report must be reported as follows:

- The exposure and class code(s) corresponding to the final premium
- "N" for the Estimated Audit Code—Policy Conditions

Change Part 3, Item F-3-b as follows:

b. Audit Noncompliance Charge

The Audit Noncompliance Charge does not apply.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
KANSAS RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Change Rule 2-B-2-e as follows:

- e. Dismissal or severance payments except for time worked.

Add the following to Rule 2-B-2:

- o. ~~n~~ Pay for holidays, vacations, or periods of sickness, provided the insured's books and records are maintained to show such pay by employee and in summary by classification.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 9
STATISTICAL PLAN—2008 EDITION
KANSAS STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT
2. Nonpayroll Exposure

e. ~~d~~ Volunteer Firefighters—Head Count

For experience classified under Classification Code 7711 (Firefighters & Drivers—Volunteer), report the associated head count using Statistical Code 9219 (Volunteer Firefighters—Head Count).

Each volunteer firefighter covered under Classification Code 7711 is considered as a head count of one. For example, one head count is reported as an exposure of “10” using Statistical Code 9219. There is an assumed decimal point between the “1” and the “0”.

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(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
KENTUCKY RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION

B. PAYROLL

1. Includes:

Change Rule 2-B-1-e as follows:

- e. Pay for holidays, vacations, or periods of sickness. *Refer to:*
- *Rule 2-G-3 for allocation of payroll for employees subject to more than one classification*
 - *Kentucky's exception to Rule 2-B-2 for employers assigned to Code 1016.*

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~ Pay for vacation for operations assigned to Code 1016.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
LOUISIANA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~- Special reward for meritorious achievements or discovery, pure gratuities, or the result of voluntary profit sharing arrangements provided they are not part of the contract of employment or an actual consideration of the employment contract.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
MARYLAND RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~ Pay for vacation for operations assigned to Code 1016.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
STATISTICAL PLAN—2008 EDITION
MONTANA STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT

2. Nonpayroll Exposure

Add the following to Part 3, Item F-2:

e. ~~e~~ Strike Duty

Report strike duty for Detective or Patrol Agencies. Report strike duty in connection with Labor Unions.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 9
STATISTICAL PLAN—2008 EDITION
MONTANA STATE EXCEPTIONS
PART 4—LOSS AND EXPENSE INFORMATION

E. CLAIM COMPONENTS

1. Required Claim Components

f. Classification Code

(2) Additional Classification Code Loss Reporting

Add the following to Part 4, Item E-1-f-(2):

(e) ~~(d)~~ Losses While on Strike Duty

Losses related to strike duty for Detectives, Patrol Agencies, or Labor Unions must be reported under the designated statistical code.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
STATISTICAL PLAN—2008 EDITION
NEW HAMPSHIRE STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT
2. Nonpayroll Exposure

e. ~~d~~ Strike Duty

Report strike duty for Detective or Patrol Agencies. Report strike duty in connection with Labor Unions.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 9
STATISTICAL PLAN—2008 EDITION
NEW HAMPSHIRE STATE EXCEPTIONS
PART 4—LOSS AND EXPENSE INFORMATION
E. CLAIM COMPONENTS
1. Required Claim Components
f. Classification Code

(2) Additional Classification Code Loss Reporting

Add the following to Part 4, Item E-1-f-(2):

(e) ~~(d)~~ Losses While on Strike Duty

Losses related to strike duty for Detective or Patrol Agencies, or Labor Unions must be reported under the designated statistical code.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
NEW MEXICO RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Change Rule 2-B-2-b as follows:

- b. Payments by an employer to group insurance or group pension plans for employees (including but not limited to plans described in Section 3 below), other than payments covered by Rule 2-B-1-f and Rule 2-B-1-m.

Add the following to Rule 2-B-2:

- o. ~~n~~. Bonuses paid by an employer to a qualifying employee under a safety program approved by the Superintendent of Insurance in accordance with the provisions of New Mexico Statutes 52-1-6.2
- p. ~~o~~. Pay for vacation for operations assigned to Code 1016
- q. ~~p~~. Per diem employee expense reimbursements unless such reimbursements are considered wages for federal income tax purposes

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
OKLAHOMA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~ Pay for vacation for operations assigned to Code 1016.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
OREGON RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Change Rule 2-B-2-b as follows:

- b. Payments by an employer to group insurance or group pension plans for employees, other than payments covered by Rule 2-B-1-f; or payroll amounts picked up by employers under the Public Employees' Retirement System (PERS), or equal or better Plans authorized under ORS 237.620, known as "PERS pickup."

Change Rule 2-B-2-h as follows:

- h. Expense reimbursements to employees if the employer's records substantiate that the expense was incurred as a valid business expense.

Note 1: When it is determined the employee is receiving expense reimbursements and the employer did not maintain verifiable receipts for the incurred expenses, a maximum of \$75 for each such day, or the negotiated labor contract amount, will apply to the non-receipted expenses.

Note 2: Reimbursed expenses and flat expense allowances paid to employees may be excluded from the audit provided that all three of the following conditions are met:

- The expense or allowance was incurred upon the business of the employer, and
- The amount of each employee's expense or allowance is shown separately in the records of the employer, and
- The amount of the expense or allowance approximates the actual expense incurred by the employee in the conduct of his or her work.

Note 3: Allowable travel expenses permitted by any contract with a federal, state, or local government entity, including, but not limited to, a city, borough, or village, are excluded from payroll. In lieu of verifiable receipts for incurred expenses, the employer must produce a copy of the contract provision permitting the travel expenses at audit. The allowable travel expenses must be in addition to the current wage of the employee.

Add the following to Rule 2-B-2-l:

- Life insurance
- Owner's medical insurance

Add the following to Rule 2-B-2:

- o. ~~⌘~~ Bonus pay that is not anticipated under the contract of employment and is paid at the sole discretion of the employer, amounts payable under profit sharing agreements, or payments that are part of a program to reward workers for safe working practices. *Refer to Oregon **User's Guide** for additional information.*
- p. ~~⌘~~ Vacation Pay

Note: Paid Time Off (PTO), Flexible Time Off (FTO), or other similar plans that combine various "time off" components, may exclude vacation pay to the extent that it is identifiable and summarized in a manner consistent with Oregon Administrative Rules.

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EXHIBIT 9
STATISTICAL PLAN—2008 EDITION
OREGON STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT
3. Final or Estimated Premium

c. **COVID-19**

If final premium cannot be reported due to the inability of field audit requirements referenced in Oregon Division of Financial Regulation Bulletin No. DFR 2020-9 due to the COVID-19 pandemic, report the applicable exposure and premium in the class code(s) and the Estimated Audit Code as an "N."

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(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
SOUTH DAKOTA RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~- Pay for jury duty, holidays, vacations or periods of sickness provided that the original records of the employer disclose these amounts. An estimated or percentage allocation is not permitted.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
TENNESSEE RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~- Pay for vacation for operations assigned to Code 1016.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
STATISTICAL PLAN—2008 EDITION
TEXAS STATE EXCEPTIONS
PART 3—EXPOSURE INFORMATION
F. EXPOSURE AMOUNT

3. Final or Estimated Premium

Change Part 3, Item F-3 as follows:

When the exposure reported on the 1st report correspond to the final premium amount by class code, report as follows:

- The exposure and class code(s) corresponding to the final premium
- "N" for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report is based on estimated exposure, report as follows:

- The estimated exposure and class code(s) corresponding to the estimated premium
- "Y" for the Estimated Audit Code—Policy Conditions

When the exposure reported on the 1st report was based on estimated exposure and subsequently the final premium is determined, a correction to the 1st report must be reported as follows:

- The exposure and class code(s) corresponding to the final premium
- "N" for the Estimated Audit Code—Policy Conditions

Change Part 3, Item F-3-b as follows:

b. Audit Noncompliance Charge

The Audit Noncompliance Charge does not apply.

ITEM B-1441—REVISIONS TO NCCI MANUAL RULES RELATED TO THE COVID-19
(CORONAVIRUS) PANDEMIC

EXHIBIT 8
BASIC MANUAL—2001 EDITION
UTAH RULE EXCEPTIONS
RULE 2—PREMIUM BASIS AND PAYROLL ALLOCATION
B. PAYROLL

2. Excludes:

Add the following to Rule 2-B-2:

- o. ~~n~~ Pay for vacation for operations assigned to Code 1016.